

Connecticut State Board of Accountancy
July 07, 2010
Minutes

Chairman Thomas F. Reynolds called the meeting to order at 08:30 A.M. at the State Board of Accountancy, 30 Trinity Street 250, Hartford, CT 06106.

Present:

Thomas F. Reynolds, CPA, Chairman
Philip J. DeCaprio, Jr., CPA/ABV/CFF, Cr.FA, CVA
Richard H. Gesseck, CPA
Leonard M. Romaniello, Jr., CPA, CITP, CFE, MST
Lee R. Schlesinger
Richard L. Sturdevant
Martha S. Triplett, Esq.
Michael Weinshel, CPA

Staff Members Present:

David L. Guay, Executive Director
Rebecca E. Adams, Esq., Board Counsel
Angel D. Acevedo, Office Assistant

Absent:

James S. Ciarcia

Motion was made by Michael Weinshel and seconded by Leonard Romaniello to approve the minutes of the June 01, 2010 Board Meeting. All voted in favor; no votes against and no abstentions.

Executive Director's Operations Update and Review:

Budget

- FY11 BOARD OF ACCOUNTANCY APPROPRIATION
 - Personal Services [345,306] 336,533;
 - Other Expenses [77,863] 47,155;
 - AGENCY TOTAL [423,169] 383,688;
- OE has been reduced by the Governor to \$27,199.00.

Licensing

- CPE Audits have begun;
- Another great CPA Certificate Ceremony on June 08, 2010.

General Administrative

- Office will be closed for a furlough day on July 02, 2010;
- Received acknowledgement from St. James Church for Board members contribution in memory of Mary Ciarcia;
- We have a summer intern, Michael Milano from ECSU;

- With the successful completion of our Audit we have also completed the destruction of old records according to our records retention plan, 27 boxes were shredded.

During a discussion, with Dr. Craig N. Mills, in regards to the AICPA Uniform CPA Examination, the following points were made:

- New content and skills outlines approved;
- New features will address State Board and candidate concerns;
- Contract signed March 04, 2010;
- Contract term for NASBA/AICPA amended and extended to 2024 with 5 year look-back reviews;
- Criteria for determining knowledge/skills included on CPA Examination:
 - Relevance to work of entry-level CPA's;
 - Importance to work of entry-level CPA's;
 - Frequency of use by entry-level CPA's.

The Board reviewed and noted, for the record, CPA Certificate Registration, CPA License & Firm Permit Applications approved by the Executive Director June 01, 2010 through July 06, 2010.

Motion made by Philip DeCaprio and seconded by Leonard Romaniello to accept the peer review conducted for the Firm of Karpinski & Associates. All voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Martha Triplett to approve the waiver request of Mr. Robert F. Carroll- (Firm Permit # 1385), as his firm does not intend to engage in any financial reporting areas of practice during the next year. All voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Martha Triplett to approve the waiver request from Joseph P. McCarthy, Jr. LLC- (Firm Permit # 3437), for the scheduled 2010 peer review. All voted in favor; no votes against and no abstentions.

Motion made Philip DeCaprio and seconded by Martha Triplett to approve the waiver request from Clark & Company- (Firm Permit # 2679), for the scheduled 2010 peer review. All voted in favor; no votes against and no abstentions.

Motion made by Martha Triplett and seconded by Richard Gesseck to approve Ms. Elizabeth DeBassio's CPE Extension request to December 31, 2010. All voted in favor; no votes against and no abstentions.

The Board noted, for the record, new PCAOB Inspection Reports received:

- May 27, 2010 Inspection Report of Moody, Famiglietti & Andronico, LLP

Motion made by Michael Weinschel to approve Ms. Adrienne D. Cerulo's CPA Certificate Experience Verification application in Industry Accounting. Philip DeCaprio seconded the motion. All voted in favor; no votes against and no abstentions.

Motion made by Michael Weinshel to approve Ms. Lisa Ivaldi's CPA Certificate Experience Verification application in Industry Accounting. Leonard Romaniello seconded the motion. All voted in favor; no votes against and no abstentions.

Motion made by Michael Weinshel and seconded by Philip DeCaprio to approve Ms. Feng Chen's CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion made by Leonard Romaniello and seconded Philip DeCaprio to deny Ms. Melissa Wank's CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Leonard Romaniello to deny Mr. Timothy Tyrrell, Jr.'s CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion made by Richard Sturdevant and seconded by Richard Gesseck to add Ms. Jacqueline M. Lewis' CPA Certificate Experience Verification application in Industry Accounting to the July 07, 2010 agenda. All voted in favor; no votes against and no abstentions.

Motion made by Richard Gesseck and seconded by Michael Weinshel to approve Ms. Jacqueline M. Lewis' CPA Certificate Experience Verification application. All voted in favor; no votes against and no abstentions.

Motion made by Richard Sturdevant and seconded by Richard Gesseck to add Mr. Zachary E. Stewart's CPA Certificate Experience Verification application to the July 07, 2010 agenda. All voted in favor; no votes against and no abstentions.

Motion made by Michael Weinshel and seconded by Richard Sturdevant to deny the CPA Certificate Experience Verification application submitted by Mr. Zachary E. Stewart. All voted in favor; no votes against and no abstentions.

Under Regulatory Activity, Ms. Adams presented the Board with Draft of revisions to the Experience & Peer Review Regulations. The conversation, centered on language changes to ensure public interests are best served.

Under the Public Comment, Professor Larry Grambling, University of Connecticut & Arthur Renner, Executive Director of CSCPA, addressed the Board briefly.

Public Session- Enforcement Agenda

I. Requesting Settlement Approval:

2010001-3347 Paul Ramunni AND 2010007-3356 Mark Bushka- failure to file 2006/2009 QR; *requesting settlement approval for penalty of \$800.00 and reinstatement with lapse in Firm Permit.*

2010012-3361 Purtil & Company, P.C.- failure to file QR due by December 31, 2006/2009; *requesting settlement approval for \$500 penalty and reinstatement with lapse in Firm Permit.*

2010026-3374 Jacobsen & Company, P.C.- failure to file QR due by December 31, 2008; *requesting settlement approval for \$250 penalty and reinstatement with lapse in Firm Permit.*

2010029-3377 Steven Powers- failure to file QR due by December 31, 2008; *requesting settlement approval for \$250 penalty and reinstatement with lapse in Firm Permit.*

2010078-3428 D.J. Ramey & Associates, P.C.- failure to renew Firm Permit; *requesting settlement approval for \$250 penalty and reinstatement with lapse in Firm Permit.*

2010085-3435 Wes Murphy-failure to renew CPA License; *requesting settlement approval for \$250 penalty and reinstatement with lapse in CPA License.*

2010128-3478 George Vogel- failure to renew CPA License; *requesting settlement approval for \$250 penalty and reinstatement with lapse in CPA License.*

2010129-3479 Ralph Tuliano- failure to renew CPA License; *requesting settlement approval for \$250 penalty and reinstatement with lapse in CPA License.*

2010133-3483 Ehsan Ulhaq- failure to renew CPA License; *requesting settlement approval for \$250 penalty and reinstatement with lapse in CPA License.*

2010138-3488 Doherty, Beals & Banks, P.C.- failure to renew Firm Permit; *requesting approval for \$250 and reinstatement with lapse in Firm Permit.*

Violation of Section 20-281g(j) of the Connecticut General Statutes, practicing public accountancy without a firm permit in 2010 and for violation of 20-281(b) due to failure to undergo and report Quality Review by December 31 of the year or years listed below:

2010011-3360 T. Rhode & Associates 2006/2009

2010012-3361 Purtil & Company 2006/2009

2010018-3368 Kozlowski & Tancredi 2007

2010023-3371 CPA Services 2008

2010025-3373 O. Douglas Covington 2008

2010027-3375 Maida & Maida 2008

2010029-3377 Steven Powers 2008

2010031-3379 Donald Siclari 2008

2010110-3460 Gehlmeyer & Company 2008

Motion made by Richard Sturdevant and seconded by Leonard Romaniello to move the following enforcement cases from Section III of the enforcement docket to Section I for settlement approval for practicing without a Firm Permit in 2010 & failure to undergo and report Quality Reviews by December 31 of the years listed: # 2010011-3360, against the Firm of T. Rhode & Associates- 2006 & 2009; # 2010012-3361, against the Firm of Purtil & Company- 2006 & 2009; # 2010018-3368, against the Firm of Kozlowski & Tancredi- 2007; # 2010023-3371, against the Firm of CPA Services- 2008; # 2010025-3373, against the Firm of O. Douglas Covington- 2008; # 2010027-3375, against the Firm of Maida & Maida- 2008; # 2010029-3377, against Mr. Steven Powers- 2008; # 2010031-3379, against the Mr. Donald Siclari- 2008; #

2010110-3460, against the Firm of Gehlmeyer & Company- 2008. All voted in favor; no votes against and no abstentions.

Motion made by Leonard Romaniello and seconded by Richard Sturdevant to approve settlement agreements in the following enforcement cases: #2010001-3347, against Mr. Paul Ramunni & # 2010007-3356, against Mr. Mark Bushka; # 2010012-3361, against the Firm of Purtill & Company, P.C.; # 2010026-3374, against the Firm of Jacobsen & Company, P.C.; # 2010029-3377, against Mr. Steven Powers; # 2010078-3428, against the Firm of D.J. Ramey & Associates, P.C.; # 2010085-3435, against Mr. Wes Murphy; # 2010128-3478, against Mr. George Vogel; # 2010129-3479, against Mr. Ralph Tuliano; # 2010133-3483, against Mr. Ehsan Ulhaq; # 2010138-3488, against the Firm of Doherty, Beals & Banks, P.C. All voted in favor; no votes against and no abstentions.

II. Licensee's request for abatement of penalty associated with QR settlement:

2010031-3379 Donald Siclari- failure to file Quality Review report by December 31, 2008; *counsel proposed settlement approval for \$250 penalty and reinstatement with lapse in Firm Permit and the licensee requested the opportunity to be heard on penalty abatement.*

Motion made by Michael Weinshel and seconded by Richard Sturdevant to deny Mr. Donald Siclari's request for an abatement of his penalty. All voted in favor; no votes against and no abstentions.

III. Recommending Dismissal:

2010102-3452 Massucci & Associates, LLC- failure to renew Firm Permit; The firm has supplied a notarized affidavit that it does not and has not performed any audits, review, or during the relevant time period. The firm should have requested waivers for these years; *requesting dismissal; no probable cause; no violation.*

2009149-3325 Alan Clavette- failure to complete work in engagement; *requesting dismissal; no probable cause; no violation found.*

2009161-3336 Anthony Martini- failure to provide contracted services; *requesting dismissal no violation found.*

2010114-3464 Anthony Martini- failure to provide billing records; *requesting dismissal; no probable cause; no violation found.*

2010136-3486 Michelle Mille- failure to renew CPA License; *requesting dismissal; no probable cause; no violation found.*

2010137-3487 Frank Hall- failure to renew CPA License; *requesting dismissal; no probable cause; no violation found.*

2010122-3472 Morrison, Brown, Angiz & Farra, LLP- failure to renew Firm Permit; the firm has supplied a notarized affidavit that it does not and has not performed any audits, review, or during the relevant time period. The firm should have requested waivers for these years; *requesting dismissal; no probable cause; no violation.*

Motion made by Leonard Romaniello and seconded by Martha Triplett to dismiss all charges in the following enforcement cases: # 2010102-3452, against the Firm of Massucci & Associates, LLC; # 2009149-3325, against Mr. Alan Clavette; # 2009161-3336, against Mr. Anthony Martini; # 2010114-3464, against Mr. Anthony Martini; # 2010136-3486, against Ms. Michelle Mille; # 2010137-3487, against Mr. Frank Hall; # 2010122-3472, against the Firm of Morrison, Brown, Angiz & Ferra, LLP. All voted in favor; no votes against and no abstentions.

III. Requesting Formal Charges and Notice of Hearing:

2008038-3144 Michael Plude- Requesting formal charges as follows:

Pursuant to 20-281a(a)(5), negligence in the practice of public accountancy.

Pursuant to Section 20-281a(a)(7), violation of the rules of professional conduct adopted by the board under subdivision (4) of subsection (g) of section 20-280, section 20-280-15c, specifically:

section 20-280-15c(a)(2)(a): lacking independence/conflict of interest;

section 20-280-15c(a)(2)(b): lacking independence/conflict of interest;

section 20-280-15c(b): knowingly misrepresenting the facts in the performance of professional services;

section 20-281-15c(l): behaving in a manner which reflects adversely on his fitness to practice public accountancy; and

section 20-280-15c(m): acting through another in order to carry out acts which would be a violation of the rules if conducted personally.

Violation of Section 20-281g(j) of the Connecticut General Statutes, practicing public accountancy without a firm permit in 2010 and for violation of 20-281(b) due to failure to undergo and report Quality Review by December 31 of the year or years listed below:

2010019-3366 Dudzik & Wrinn 2007

COUNT I

1) At all times relevant hereto, hereinafter referred to as “Respondent”, was a firm within the meaning of § 20-279b (3) of the Connecticut General Statutes.

2) At all times relevant hereto, Respondent held a Connecticut Certified Public Accountant Permit to Practice issued under Chapter 389 of the Connecticut General Statutes and was a permit holder as described in § 20-281 of the General Statutes.

3) Section 20-281 (b) of the Connecticut General Statutes requires that every three years, unless a waiver has been granted by the Board of Accountancy pursuant to § 20-281 (c), a permit holder shall undergo a quality review, conducted in such manner as the board may by regulation specify, to determine and report on the degree of compliance by the permit holder with generally accepted accounting principals, generally accepted auditing standards and other similarly recognized authoritative technical standards.

4) At no time relevant hereto, did the Board grant a waiver to the Respondent.

5) Respondent failed to undergo a quality review within three years, in violation of Sections 20-281, 20-280 (g) (7), 20-281a (a) (3), and 20-281a (a) (6) of the Connecticut General Statutes, and Sections

COUNT II

6) Paragraphs 1 and 2 of **COUNT I** are incorporated herein with the same force and effect.

7) Section 20-281 (b) of the Connecticut General Statutes requires that a permit holder furnish to the Board the report, required by said section 20-281 (b), on said permit holder's degree of compliance with generally accepted accounting principals, generally accepted auditing standards and other similarly recognized authoritative technical standards within 30 days of the acceptance of the final report by a qualified oversight body.

8) Respondent failed to furnish a report detailing Respondent's degree of compliance with generally accepted accounting principals, generally accepted auditing standards and other similarly recognized authoritative technical standards to the Board, in violation of section 20-281 (b).

COUNT III

9) Paragraphs 1 and 2 of **COUNT I** are incorporated herein with the same force and effect.

10) On one or more occasion since January 1, 2008, Respondent practiced public accountancy within the meaning of Connecticut General Statutes, Section 20-179b(7), in that, while holding itself out to the public as a Certified Public Accountant or a Public Accountant, it performed or offered to perform for the public, for a fee, the following:

- a) reports on financial statements,
- b) management advisory services,
- c) financial advisory services,
- d) consulting services,
- e) preparation of tax returns,
- f) furnishing advice on tax matters,
- g) services involving the use of accounting or auditing skills, specifically: bookkeeping.

11) By virtue of the conduct described in the preceding paragraph, Respondent engaged in the practice of public accountancy in this state without holding a permit to practice public accountancy issued under Section 20-281e, of the Connecticut General Statutes in violation of Section 20-281g(j) of the Connecticut General Statutes.

Motion made by Richard Sturdevant and seconded by Michael Weinshel to approve Legal Counsel's recommendations of Formal Charges and Notice of Hearing in the following enforcement cases: # 2008038-3144, against Mr. Michael Plude; # 2010019-3366, against the Firm of Dudzik & Wrinn- due to failure to undergo and report Quality Review by December 31, 2007. All voted in favor; Mr. Lee Schlesinger recused himself and there were no abstentions.

IV. PETITION FOR REINSTATEMENT OF PHILIP MADONNA: HEARING

In the Matter of 2010130-3480

Notice Of Hearing

Pursuant to the provisions of Connecticut General Statutes Section 20-280b, and the Uniform Administrative Procedure Act, Connecticut General Statutes Section 4-166 et seq., and by virtue of the authority vested in it by said statutes, the State Board of Accountancy (the "Board") having received the request made by Philip Madonna, pursuant to Connecticut General Statutes Section 20-281f, for reissuance and reinstatement of certified public accountant certificate number 7554, hereby gives notice a of a hearing to be held:

Wednesday, July 7, 2010 at 10:00 AM EST
At the Board Offices at:
30 Trinity Street, Hartford, Connecticut 06106

Mr. Philip Madonna's hearing was convened at 10:45 A.M., officiated by Ms. Martha Triplett-
Mr. Madonna provided written and oral testimony to the Board.

Motion was made to keep the hearing open by Richard Sturdevant and seconded by Philip DeCaprio. All voted in favor; Mr. Richard Gesseck recused himself and there were no abstentions.

A motion was made by Leonard Romaniello and seconded by Martha Triplett to adjourn the July 07, 2010 Board Meeting of the Connecticut State Board of Accountancy at 01: 37 P.M.. All voted in favor; no votes against and no abstentions.